

**IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI**

SQUARE ONE DEVELOPMENT)
GROUP, INC.,)
Petitioner,)
vs.) Cause Number.: _____
PAYARC, LLC)
SERVE:)
Zachary Martinez)
Registered Agent)
103 Mason Street)
2nd Floor)
Greenwich, Connecticut 06830)
Respondent.)

**PETITION TO DECLARE RIGHTS TO
THE EXCESS RESERVE FUNDS BEING HELD BY PAYARC, LLC**

Comes Now, Petitioner Square One Development Group, Inc. pursuant to 28 U.S.C. § 2201 and Fed. R. Civ. P. 57, and brings their *Petition to Declare Rights to the Excess Reserve Funds Being Held by PAYARC, LLC*, stating as follows:

THE PARTIES

1. Petitioner Square One Development Group, Inc. is a duly organized Missouri corporation with its principal place of business in St. Louis County, Missouri. (Hereinafter “SODG”).

2. Respondent PAYARC, LLC is duly organized Connecticut limited liability company with one member residing in Connecticut. (Hereinafter “Payarc”).

THE CONTROVERSY

3. In July of 2019, Petitioner made application and formed a contract for merchant services (credit card processing) with Respondent Payarc. (See Exhibit A Merchant Application).
4. Payarc accepted the application and formed a contract providing merchant services (credit card processing) to Petitioner.
5. Payarc is allowed under the contract to set a reasonable reserve for charge backs based on the actual chargeback experience of the Petitioner.
6. Payarc has unilaterally set a 100% reserve and is presently holding \$749,765.72 in reserve funds and refuses to transfer those funds to Petitioner.
7. The value of the Petitioner’s interest in the controversy exceeds an amount greater than \$75,000.00.
8. A case in controversy exists between the Petitioner SODG and Respondent PAYARC.

JURISDICTION & VENUE

9. The Court has subject matter jurisdiction over this civil case pursuant to 28 U.S.C. § 2201(a) which allows that:

“In a case of actual controversy within its jurisdiction ... any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought ...”

10. The Court has original jurisdiction over this civil case pursuant to 28 U.S.C. §1332 (a) which allows that:

“The district courts have original jurisdiction of all civil actions where the matter in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs, and is between – (1) citizens of different States.”

11. The amount in controversy is greater than \$75,000.

12. The controversy is between citizens of different States.

13. The Court has venue in this civil case pursuant to 28 U.S.C. § 1391(b) which allows that:

“A civil action may be brought ... (2) a judicial district in which a substantial part of the events or omissions giving rise to the claim occurred ...”

14. A substantial part of the events originated offices in St. Louis County, Missouri, within the known boundaries of the United States District Court of the Eastern District of Missouri.

COUNT I: DECLARATION OF PETITIONERS' RIGHTS

TO THE EXCESS RESERVE FUNDS BEING HELD BY PAYARC, LLC

15. Petitioners incorporate by reference paragraphs 1 through 14 as if fully set forth and alleged in this paragraph 15.

16. Petitioner SODG is entitled pursuant to the contract with Payarc to 90% of the excess funds that Payarc is holding in the reserve fund.

17. That 90% amounts to the sum of \$674,789.14.

18. Petitioners request the Court declare that the Petitioners are entitled to 90% of the reserve fund, \$674,789.14 and further order Payarc to transfer that \$674,789.14 to SODG within 5 business days.

WHEREFORE, Petitioners Square One Development Group, Inc. prays the Court, pursuant to 28 U.S.C. § 2201 and Fed. R. Civ. P. 57, declare the Petitioner Square One Development Group, Inc. is entitled to 90% of the reserve fund (\$674,789.14) that PAYARC, LLC is currently holding, and for such other and further relief in the premises as the Court deems just and proper.

Respectfully submitted,
The Law Firm of Michael T. George, P.C.

/s/ Michael T. George

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